

EXTENSIONS OF REMARKS

THE POVERTY TRAP STUDY ACT
OF 2000

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 2000

Mr. PETRI. Mr. Speaker, today I am introducing the Poverty Trap Study Act of 2000. This legislation would create a commission to study the combined effects on low income families of effective marginal tax rates resulting from the simultaneous phaseouts of a number of welfare programs as well as payroll taxes and federal and state income taxes.

Why does this prosperous country still have millions of people living in poverty? Why, in the face of tremendous economic growth, does the poverty rate barely drop if at all? It's not because we are a selfish country; it's not because we spend too little on welfare and it's not because the minimum wage is too low. It's because we have adopted tax and welfare policies which bring about that exact result!

Not that it was the intent of those who wrote those programs to keep people in poverty. I'm sure that when the housing assistance program was created, it was thought that taking 30 percent of income as rent was not too much of a disincentive to work. Likewise, when the Earned Income Tax Credit was created and later revised, I'm sure no one thought that a 21 percent phaseout of benefits for two-child families just over the poverty level was a drastic disincentive. And when the Food Stamp Program was begun, a 24 percent phaseout didn't seem so bad. But add them up and we already have a 75 percent effective marginal tax rate from just these three programs. Now add in a 7.65 percent payroll tax, federal and state income taxes, and possible phaseouts of other state welfare programs, plus copayments for child care, and in most states families with children with earnings around the poverty level face marginal tax rates over 100 percent! Furthermore, at an income level where most of these phaseouts are still in effect, these families face the "cliff effect" of Medicaid and lose their health coverage. It's not surprising that we have a seemingly intractable problem of poverty no matter how high the economy soars. What is amazing is that some people are able to work their way out of poverty anyway.

We have created this mess by designing every program in a vacuum without ever considering the combined effects. I supported the welfare reform of 1996, sending most of the decisions back to the states. The main effect has been for states to institute work requirements for most able-bodied recipients, moving them off of AFDC and into subsidized jobs. That's good but it is only the first step. Phase II has to be to move people from subsidized jobs into self-sufficiency, and that is never going to happen until more work actually means more money in their pockets.

Likewise, I supported the recently passed marriage penalty relief act. However, as a percentage of income, the biggest marriage penalties have nothing to do with moving to higher tax brackets or the size of the personal exemption. In some cases in my home state of Wisconsin, a single parent with two children who marries someone with a similar income loses ALL of the spouse's income to lost benefits and taxes and the family of four has to live on less than the family of three did! Ending the poverty trap should also be considered phase II of marriage penalty relief.

It's time to look at welfare and tax policy for low income families in a coherent fashion instead of the hit or miss piecemeal approach we have been employing. That is why I have introduced the Poverty Trap Study Act of 2000. This legislation would create a commission to examine the poverty trap problem and make recommendations to fix it. I call on my colleagues who support ending marriage penalties, cutting taxes for low income families and fighting poverty, to support this bill.

RECOGNIZING THE CONTRIBUTIONS
OF ALPHA KAPPA ALPHA SORORITY, INC. TO AFRICAN
AMERICAN HISTORY

HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 2000

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise to pay special tribute to Alpha Kappa Alpha Sorority, Inc. during African-American history month. I would like to highlight the organization's ninety-two years of service to our nation. Alpha Kappa Alpha Sorority currently has over 800 chapters in the United States and the Virgin Islands and has spread to several countries abroad including: Germany, Caribbean, London, England, and Japan.

Since 1908, Alpha Kappa Alpha Sorority, Inc. has served as an instrument to enrich social and economic conditions in the world. Alpha Kappa Alpha strives to promote high scholastics and ethical standards, vocational and career guidance, health services and the advancement of human and civil rights. Led by national Basileus, Norma S. White, Alpha Kappa Alpha Sorority, Inc. focuses on five national targets including: education, health, the black family, economics, and the arts.

Today, the tradition of Alpha Kappa Alpha Sorority, Inc. lives on. As we move into the 21st century, Alpha Kappa Alpha Sorority, Inc. will continue to uplift the principles of service to all mankind.

HONORING HARCUM COLLEGE

HON. JOSEPH M. HOEFFEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 2000

Mr. HOEFFEL. Mr. Speaker, I rise today on the occasion of National TRIO day to congratulate the Upward Bound Program at Harcum College in Bryn Mawr, Pennsylvania. National TRIO Day celebrates 35 years of programs aimed at expanding opportunities for disadvantaged students to attend college. Upward Bound is a wonderful, practical program that challenges and motivates students to achieve the necessary skills for higher education. TRIO's Upward Bound is essential for attainment of the critical goal of ensuring access to higher education for low-income and first-generation college students.

Harcum College has an outstanding record of success with Upward Bound for the ten years since the program began. This year, Harcum was awarded a prestigious five-year grant for scoring one hundred percent on their program proposals. Harcum College Upward Bound serves 75 students from three high schools in Philadelphia. The vast majority of participants are low-income and the first generation of their families to attend college. In the past five years one hundred percent of all high school students participating in Harcum's Upward Bound program graduated from high school and seventy-five percent were accepted to and enrolled in a four year college or university.

I applaud Harcum College's commitment to providing students from all backgrounds with an opportunity to excel in education and to prepare those students for the future.

RECOGNITION OF MR. WILLIAM C.
COONCE

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 2000

Mr. MORAN of Virginia. Mr. Speaker, I rise today to pay tribute to William C. Coonce—one of our Federal Government's finest public servants and a long time resident of the Commonwealth of Virginia. This April he will retire from an exceptionally distinguished career of service to his country. He has worked for the Department of Defense since 1967, first with the Navy, and for the last 19 years with the Office of the Under Secretary of Defense (Comptroller). He has served more than 34 years of exemplary service to our nation. He has been an exceptional manager of the public's resources and his efforts have strengthened our national defense. It gives me pride to have the opportunity to honor him today for his tremendous accomplishments.

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